

Burger King

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM

Representative Photo

BURGER KING

6598 U.S. Highway 1, Port St. Lucie, FL 34952



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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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BURGER KING

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BURGER KING





Investment Highlights

PRICE: \$2,641,509 | CAP: 5.30% | RENT: \$140,000

BURGER KING

About the Investment

- ✓ Brand New Construction
- ✓ Brand New Triple-Net (NNN) 20-Year Sale-Leaseback
- ✓ Franchisee Guarantee | 55 Units and Growing
- ✓ 1.25% Annual Rental Increases Starting in Year 3

About the Location

- ✓ Excellent Florida Real Estate | Port St. Lucie is the 8th-Largest City in Florida and the 3rd-Largest City in South Florida
- ✓ Dense Retail Corridor | Neighboring National Tenants Include: Publix, Walgreens, Dollar Tree, Dollar General, McDonald's, Dunkin' Donuts, Subway, PNC Bank, 7-Eleven, Marco's Pizza, Best Western and Many More
- ✓ Heavily Trafficked Area | Property is Located on South Federal Highway (U.S. Highway 1), which Experiences Approximately 43,000 Vehicles Per Day
- ✓ Robust Demographics | Population Exceeds 113,000 Individuals Within a Five-Mile Radius
- ✓ Expansive Population Growth | Population within a One-Mile Radius is Projected to Increase by More than 24% by 2023
- ✓ Real Estate Fundamentals | Property is Located at the Hard Corner of a Signalized Intersection
- ✓ Compelling Business Incentives | Non-Income-Taxable State of Florida

About the Tenant / Brand

- ✓ Seven Restaurants ("7Restaurants") is a 55-Unit Burger King Operator
- ✓ 7Restaurants has Significant Growth Plans for this Entity | 10-15 New Sites in 2020 | Providing the Future Landlord with the Benefit of Credit Enhancement as Operations Continue to Grow
- ✓ 7Restaurants has an Excellent Track Record With Proven Operational Expertise
- ✓ The 7Restaurants Management Team has a Combined 70+ Years of Experience in The Burger King System
- ✓ Burger King Brand is One of the World's Most Recognized Consumer Brands



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$2,641,509 | CAP: 5.30% | RENT: \$140,000

BURGER KING

PROPERTY DESCRIPTION

Property	Burger King
Property Address	6598 U.S. Highway 1
City, State, ZIP	Port St. Lucie, FL 34952
Year Built / Renovated	2018
Building Size	3,000
Lot Size	+/- 1.00 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,641,509
CAP Rate	5.30%
Annual Rent	\$140,000

LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant/Guarantor	Franchisee (55-Unit Operator)
Original Lease Term	20 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from COE
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Four (4), Five (5)-Year Options
Rental Increases	1.25% Annual Increases Starting Year 3

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$140,000	\$11,667	-
Year 2	\$140,000	\$11,667	-
Year 3	\$141,750	\$11,813	1.25%
Year 4	\$143,522	\$11,960	1.25%
Year 5	\$145,316	\$12,110	1.25%
Year 6	\$147,132	\$12,261	1.25%
Year 7	\$148,972	\$12,414	1.25%
Year 8	\$150,834	\$12,569	1.25%
Year 9	\$152,719	\$12,727	1.25%
Year 10	\$154,628	\$12,886	1.25%
Year 11	\$156,561	\$13,047	1.25%
Year 12	\$158,518	\$13,210	1.25%
Year 13	\$160,499	\$13,375	1.25%
Year 14	\$162,506	\$13,542	1.25%
Year 15	\$164,537	\$13,711	1.25%
Year 16	\$166,594	\$13,883	1.25%
Year 17	\$168,676	\$14,056	1.25%
Year 18	\$170,785	\$14,232	1.25%
Year 19	\$172,919	\$14,410	1.25%
Year 20	\$175,081	\$14,590	1.25%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Burger King located in Port St Lucie, FL. The property consists of approximately 3,000 rentable square feet and is situated on approximately 1.00 acres of land. The property is subject to a 20-year triple-net (NNN) sale-leaseback that will commence upon the close of escrow. The base annual rent will be \$140,000 and the lease calls for 1.25% rental increases every year starting year 3 through the base term and continuing through the four (4), five (5)-year tenant renewal options.



Concept Overview

BURGER KING

About Burger King

Burger King – founded in 1954 – is the second largest fast food hamburger chain in the world. The original Home of the Whopper, the Burger King system operates in approximately 14,000 locations serving more than 11 million guests daily in 100 countries and territories worldwide. Almost 100 percent of Burger King® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades. In 2010, 3G Capital, a global multi-million-dollar investment firm focused on long term value creation, purchased Burger King Corporation, making it a privately-held company. 3G Capital works in close partnership with management teams at its portfolio companies and places a strong emphasis on recruiting, developing and retaining top-tier talent.

About 7Restaurants

Seven Restaurants, LLC ("7Restaurants") is among the most sophisticated multi-unit franchisee operators in the Burger King system. 7Restaurants owns and operates Burger King restaurants in the Broward County and Treasure Coast areas of south Florida. They currently have 55+ units and with significant reinvestment in the business, 7Restaurants is well positioned for exponential growth with the support of a highly seasoned senior management team. The group has a combined 70 years of experience in the Burger King system and expertise in fields such as M&A, franchising, and development.



SEVEN 7 RESTAURANTS
a franchisee of Burger King Corporation

#2 Fast Food Hamburger Chain, Globally

- More than \$16 billion in annual system-wide sales, and nearly 350,000 team members, worldwide. The concept has a market capitalization of roughly \$10 billion.

Global Brand Presence | Fully – Franchised Business Model

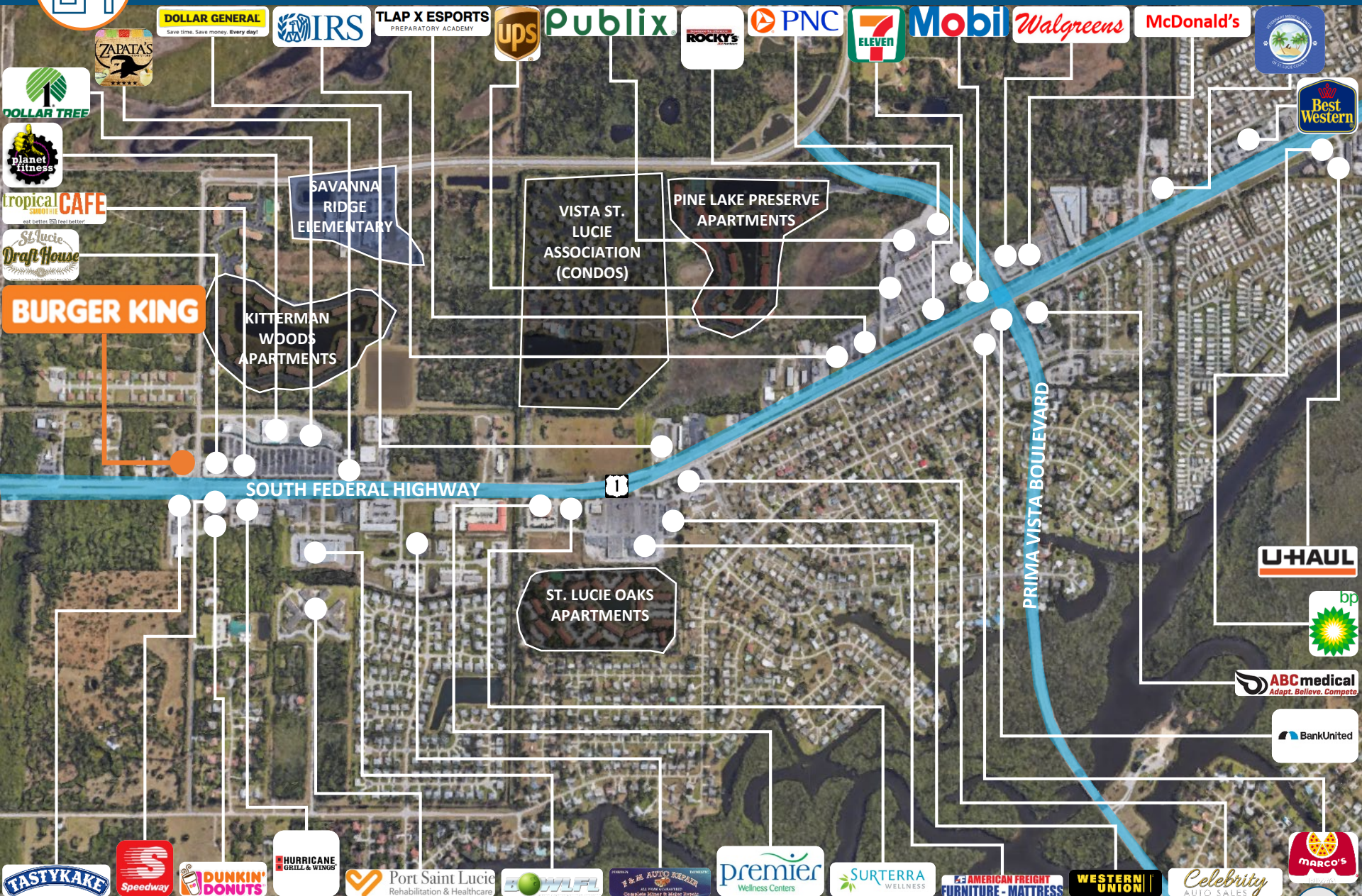
- Nearly 14,000 restaurants in 100+ countries. QSR industry-leading EBITDA margins





Surrounding Area

BURGER KING



Burger King – Port St. Lucie, FL

Marcus & Millichap



Surrounding Area Photos

BURGER KING





Location Overview

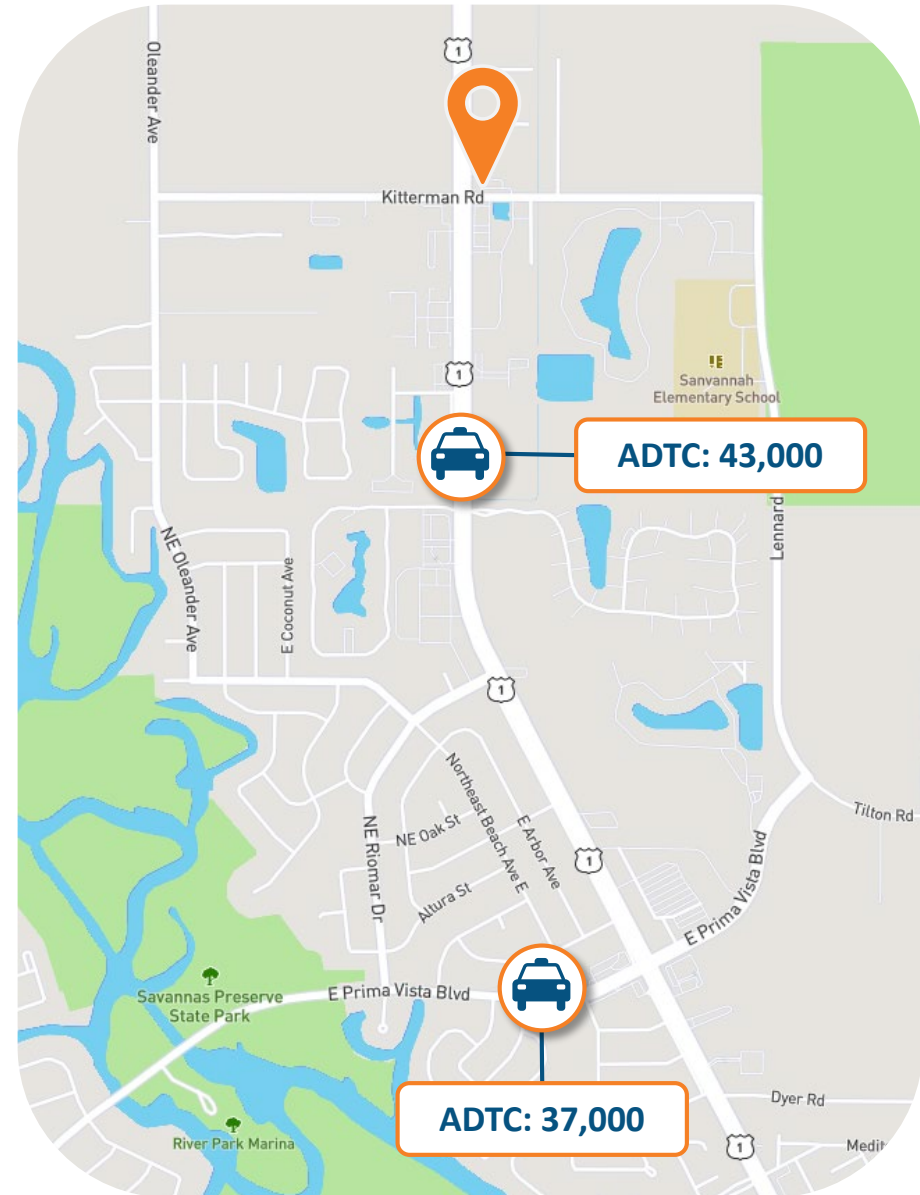
Property Address: 6598 U.S. Highway 1, Port St. Lucie, FL 34952

The subject investment property is situated at the hard corner of the signalized intersection between U.S. Highway 1 and Kitterman Road. U.S. Highway 1 experiences an average traffic count exceeding 43,000 vehicles per day and intersects with Prima Vista Boulevard, which brings an additional 37,000 vehicles into the immediate surrounding area each day. There are more than 42,000 individuals residing within a three-mile radius of the property and more than 113,000 individuals within a five-mile radius. The population within a one-mile radius is projected to increase by more than 24 percent by 2023.

The subject property is strategically positioned in a highly dense retail corridor that consists of local and national tenants, shopping centers, and accommodations, all within close proximity of the site. Major national tenants in the immediate area include: Walgreens, Publix, Dollar Tree, Dollar General, McDonald's, Dunkin' Donuts, Subway, PNC Bank, 7-Eleven, Marco's Pizza, Best Western, as well as many others. Accommodations in the immediate area include Best Western Port St. Lucie, Kitterman Woods Apartments, St. Lucie Oaks Apartments, Vista St. Lucie Associations (condos) and Pine Lake Preserve Apartments. Local bowling alley, Saint Lucie Lanes, is within a quarter mile of the subject property. The subject property is also within a half mile of Savanna Ridge Elementary School, which boasts a total enrollment exceeding 500 students. This Burger King benefits from its location within the non-income-taxable state of Florida.

Located in southeastern Florida, about 120 miles south of Orlando and 60 miles north of West Palm Beach, St. Lucie County lies within a four-county region, referred to as the Treasure Coast. Convenient transportation access to I-95 and Florida's Turnpike, rail, seaports, Treasure Coast International Airport – a designated U.S. Customs port of entry, and direct global air access through multiple international airports make St. Lucie a great place to do business. Primary cities within the region include Fort Pierce, Port St. Lucie, Okeechobee, Stuart and Vero Beach. There are many reasons to choose St. Lucie County, Florida as a place to relocate, expand or launch your business. As an emerging region for cutting edge companies, St. Lucie is pushing the frontiers of research in life sciences, bio-technology, energy, aviation, information technology and manufacturing. The City of Port St. Lucie is the ideal location for new and expanding businesses due to the city's market strength, competitive business costs, affordable livability and a well-trained workforce. The City's rapid growth is due in part to the high quality of life, abundance of market rate housing, low crime, quality education system and business-friendly environment. This competitive location also provides a spectacular setting in which to work and play. St. Lucie County's natural resources are enviable, with more than 21 miles of pristine coastline and beaches, more than 20,000 acres of public parks and natural preserves, and miles of rivers and waterways.

BURGER KING

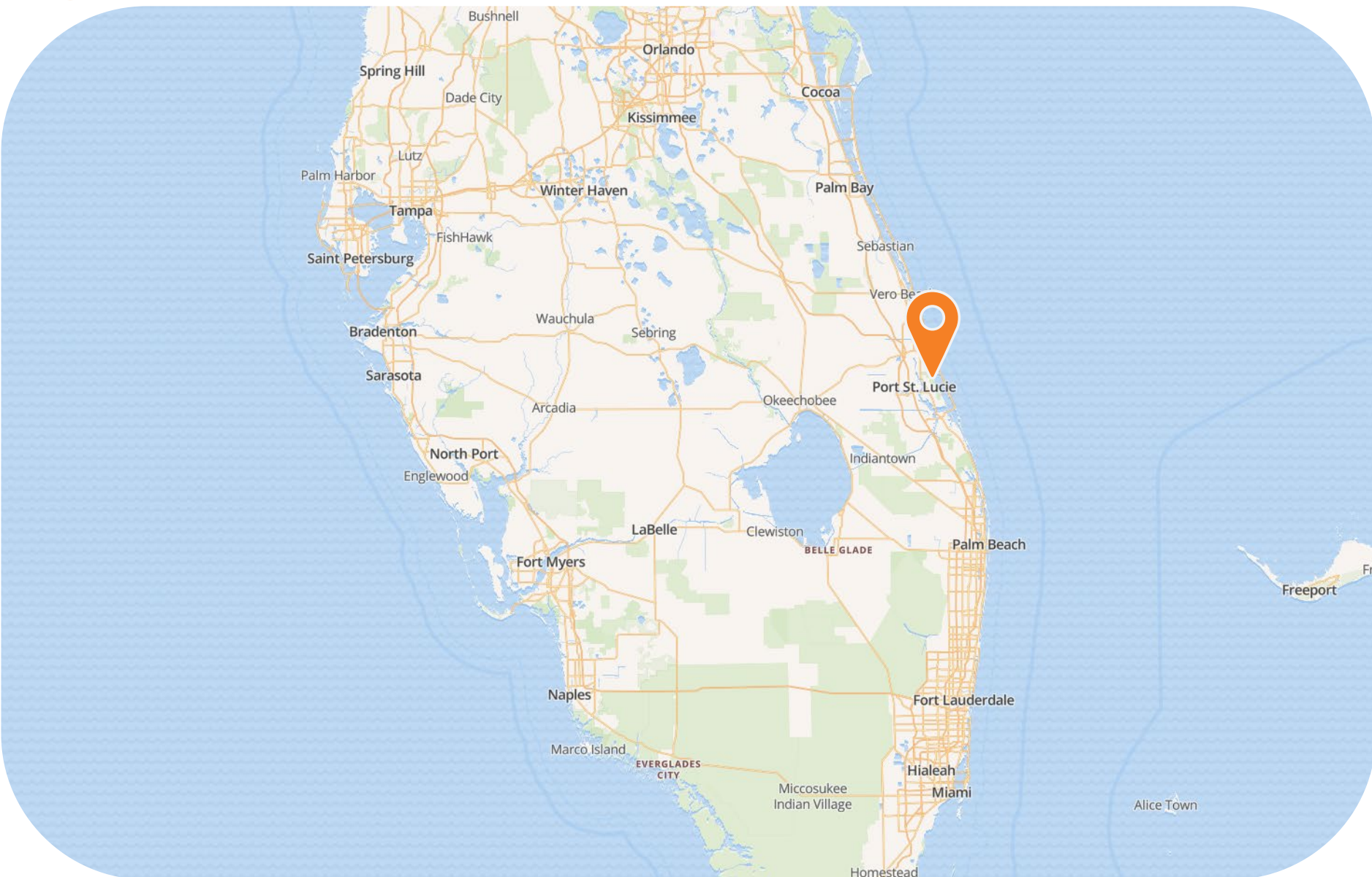




Local Map

BURGER KING

Property Address: 6598 U.S. Highway 1, Port St. Lucie, FL 34952

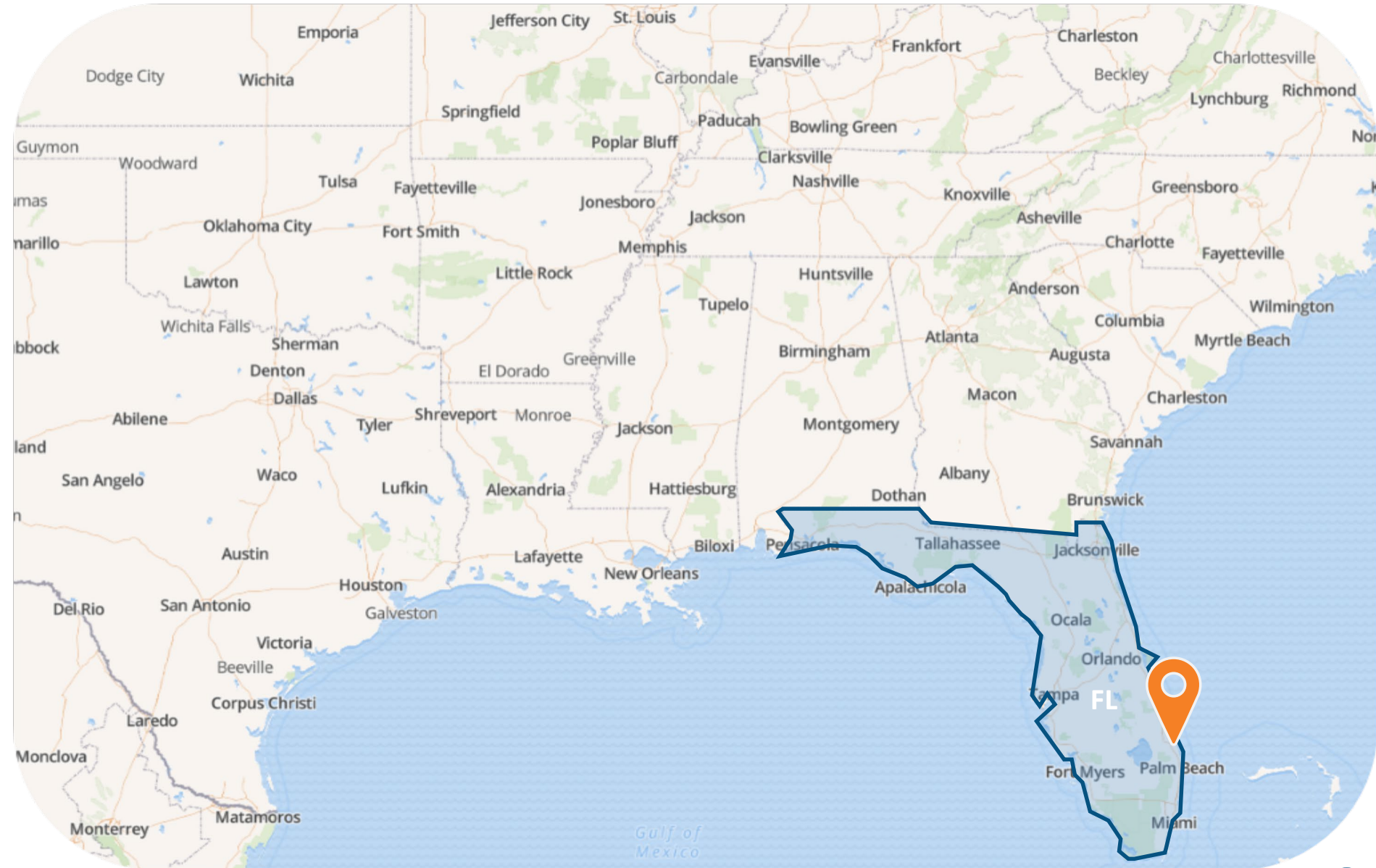




Regional Map

BURGER KING

Property Address: 6598 U.S. Highway 1, Port St. Lucie, FL 34952

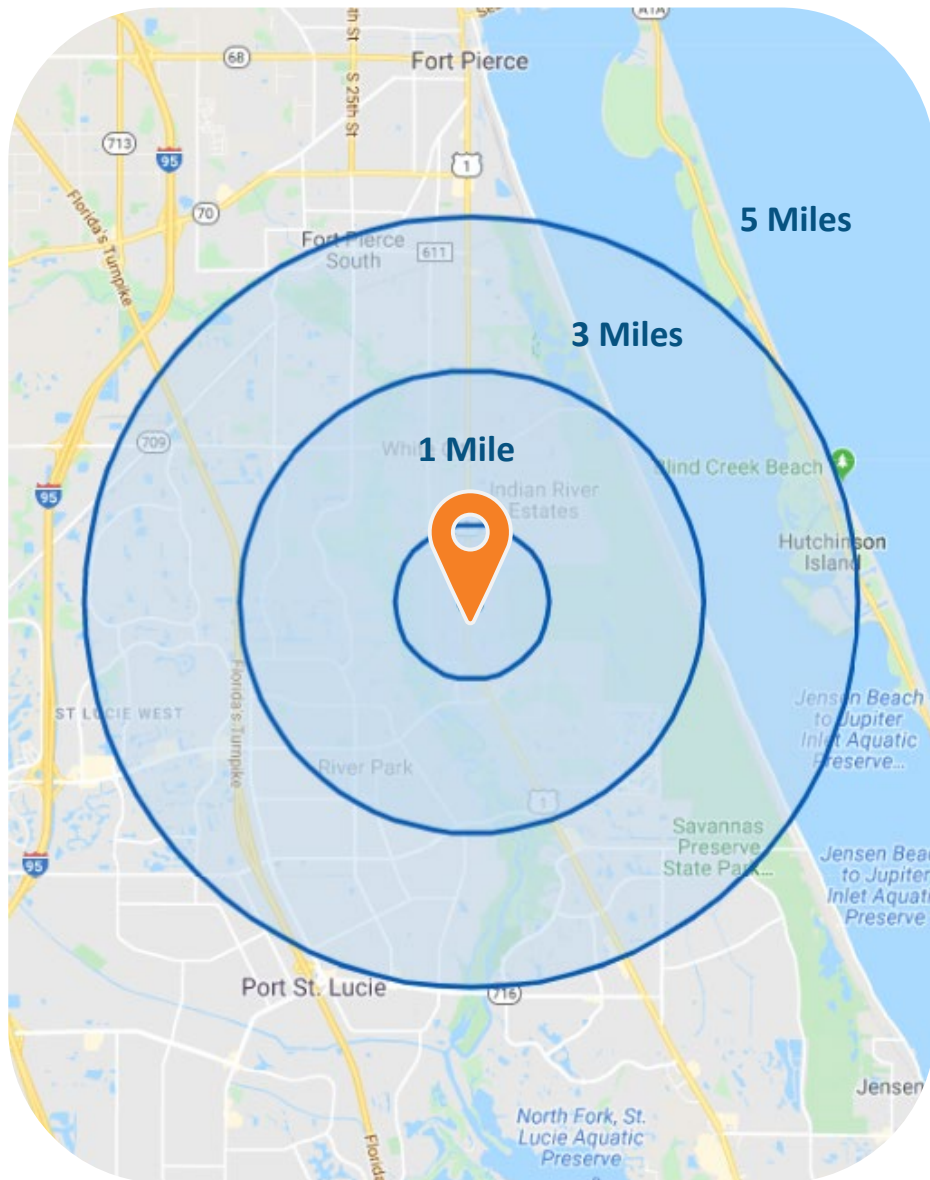




Demographics

Property Address: 6598 U.S. Highway 1, Port St. Lucie, FL 34952

BURGER KING



POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	4,197	47,014	128,549
2018 Estimate	3,383	42,378	113,751
2010 Census	3,125	39,125	104,596
2000 Census	2,133	29,737	71,997

INCOME

Average	\$56,139	\$58,703	\$58,196
Median	\$40,775	\$44,970	\$45,918
Per Capita	\$25,368	\$24,435	\$23,597

HOUSEHOLDS

2023 Projection	1,902	19,729	52,608
2018 Estimate	1,510	17,583	45,948
2010 Census	1,402	16,337	42,564
2000 Census	932	12,565	29,336

HOUSING

2018	\$161,351	\$140,148	\$154,006
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EMPLOYMENT

2018 Daytime Population	3,390	32,005	105,749
2018 Unemployment	3.13%	4.51%	4.86%
2018 Median Time Traveled	30 Mins	28 Mins	29 Mins

RACE & ETHNICITY

White	83.26%	80.16%	74.97%
Native American	0.04%	0.08%	0.08%
African American	9.37%	11.98%	15.00%
Asian/Pacific Islander	1.21%	1.65%	1.79%



Market Overview

City: Port St. Lucie | County: St. Lucie | State: Florida

Port St. Lucie consists of 120 square miles with a population of more than 185,000, the City is the 8th largest City in Florida and the 3rd largest City in South Florida. Port St. Lucie is home to Indian River State College, which shares its campus with Florida Atlantic University, Barry University and Keiser University. There are an abundance of recreational activities available to residents and visitors within the area, due to the city's climate, park facilities and proximity to the beaches nearby. Port St. Lucie is home to the Professional Golf Association (PGA) Learning Center, PGA Historical Center, the PGA Golf Professional Hall of Fame and the Probst Library, one of the world's prominent collections of golf archives and collectibles. Cultural of points of interest within the city include the nearby Underwater Demolition Team – SEAL Museum at Fort Pierce, the A.E. Backus Gallery and Museum, Hallstrom Planetarium and St. Lucie County Historical Museum.

Port St. Lucie also attracts a vibrant mix of people because of its low crime rate, diverse housing stock and abundant open space. According to BizJournals.com, the city has the highest homeownership rate in the nation in 2012 and is the only major market with a homeownership rate above 75 percent. As a growing community, the city offers diverse economic opportunities, clear guidelines for prosperous and sustainable growth, and state-of-the-art infrastructure ready to support development and investment. Additionally, the city government is committed to delivering outstanding public services that enhance the community and the quality of life for people of all ages. In 2008, Tradition and Core Communities welcomed the Florida Center of Innovation, a research laboratory and campus, which has a building in Tradition for two biotech and life science companies, the Torrey Pines Institute for Molecular Studies and the Vaccine & Gene Therapy Institute. This campus alone is projected to bring more than 30,000 jobs to the city of Port St. Lucie.

Major Employers

Employer	Estimated # of Employees
Liberty Medical Supply	2,071
Tiffany Hall Nursing Rehab Center	1,889
ATLS Medical Supply, Inc.	1,600
Envision Healthcare Corporation	1,540
City of Port Saint Lucie	800
L W BLAKE HOSPITAL	800
County of St. Lucie	693
Fortis Institute	611
SLC Sheriffs Office	600
Sarah's Kitchen of Treasure Coast, Inc.	500
Staff Builders	500

Port St. Lucie, Florida

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